

VZCZCXRO3908
OO RUEHCN RUEHGH RUEHVC
DE RUEHHK #2359/01 2541000
ZNY CCCCC ZZH
O 111000Z SEP 07
FM AMCONSUL HONG KONG
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2877
INFO RUEHOO/CHINA POSTS COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 HONG KONG 002359

SIPDIS

NOFORN
SIPDIS

DEPARTMENT FOR EAP AND EAP/CM
NSC FOR DENNIS WILDER

E.O. 12958: DECL: 09/11/2032
TAGS: PGOV PREL PINR SOCI HK CH
SUBJECT: ANSON CHAN TO CONTEST LEGCO BY-ELECTION

REF: A. HONG KONG 02202
¶B. HONG KONG 02333

Classified By: E/P Section Chief Laurent Charbonnet; Reasons 1.4 (b, d)

¶1. (C) Summary: On September 11, former Hong Kong Government (HKG) Chief Secretary Anson Chan formally announced her candidacy for the December 2 by-election for the Legislative Council (Legco) seat vacated by the death of DAB Chairman Ma Lik. Chan apparently was convinced by several pan-democratic "heavyweights," including Democratic Party (DP) legislators Martin Lee and Albert Ho and "Apple Daily" publisher Jimmy Lai, that she was the only candidate able to unite the pan-democrats and defeat presumed pro-government candidate Regina Ip. It is not clear whether Chan will participate in the pan-democratic internal vetting process; if she does not, some of the more leftist parties may decline to support her, or even run another candidate. On the other side, while independent Regina Ip presumably remains the front-runner and most likely candidate, the Democratic Alliance for the Betterment and Progress of Hong (DAB) has yet to endorse her and may consider running one of its members in the by-election. One Anson Chan advisor told us that while "there was no reason why Chan shouldn't win" the by-election, the pro-HKG and pro-Beijing side might attempt to "embarrass" her, perhaps by casting doubt on her pro-democracy credentials. Separately, a recent public opinion survey indicates growing support for universal suffrage for both the Chief Executive (CE) and Legco elections in 2012. End Summary.

¶2. (C) Comment: The entry of Chan escalates the importance and influence of the by-election considerably. Despite denials by the pro-government parties, many people now will view the contest as an opportunity to voice their preferences for political reform and adoption of universal suffrage. Most observers from both sides believe that a Chan-Ip race will be close and hard-fought, but that Chan will win. Her victory would provide Chan with both a popular mandate and a highly visible platform from which to pursue democratization, good governance, and genuine governmental accountability. For CE Donald Tsang, a Chan-Ip race is somewhat of a "lose-lose" situation: he is known to dislike Ip, but he has privately made clear that the presence in Legco of Chan, his former boss, would be very threatening to him. A Chan victory also might cause discomfort for the central government in Beijing, which has said it wanted a "harmonious and stable" political environment in Hong Kong. End Comment.

Putting Her Values to the Test

¶3. (SBU) Former Hong Kong Government Chief Secretary Anson Chan held a September 11 press conference to formally

announce her candidacy as an "independent" for the December 2 by-election for the Legislative Council (Legco) seat vacated by the August 8 death of DAB Chairman Ma Lik. After more than one week of denials and hesitations (refs), Chan apparently was convinced by several pan-democratic "heavyweights," including DP legislators Martin Lee and Albert Ho and "Apple Daily" publisher Jimmy Lai, that she was the only candidate able to unite the pan-democrats and defeat presumed pro-government candidate Regina Ip. At her press conference, Chan said it would be an opportunity for her to put her values to the test and play a role in the advancement of democracy and good governance.

¶4. (SBU) Chan's entry into the race was facilitated by the withdrawal of two other pan-democratic candidates. First, on September 3 former legislator Cyd Ho, at that time the probable front-runner, dropped out to "pave the way" for Chan to run. Next, after conferring with Lee, Ho, Chan, and senior barrister Denis Chang, a close Chan advisor, DP district councilor Kam Nai-wai announced late on September 10 that he also would remove himself from contention to allow the pan-democrats to unite behind Chan.

Vetting Process Uncertain

¶5. (SBU) It is not clear whether Chan will proceed through the preliminary internal vetting process, previously agreed by all the pan-democratic parties, that was designed to unify their support behind a single candidate. Some of the leftist pan-democrats, particularly from the League of Social Democrats (LSD) and The Frontier, had grumbled recently that Chan was subverting their internal democratic and transparent mechanism. The LSD was especially critical: Deputy Chairman

HONG KONG 00002359 002.2 OF 003

Lo Wing-lok, who had been selected as the LSD candidate for the selection process, publicly described Chan's presumed refusal to undergo internal vetting as a "dark day for democracy."

¶6. (C) LSD legislator Albert Chan told us on September 11 that, while some of his colleagues were upset by the manner in which Chan had entered the race, he personally was "more neutral" towards her, despite their "quite different ideological beliefs." If Anson Chan agreed to participate in the internal vetting procedure, which he believed was important, then he felt the LSD would support her. If she refused to be vetted, however, then there would be "more conflict" and Lo might decide to join the by-election as an LSD candidate. Albert Chan felt that any of the pan-democratic candidates - Anson Chan, Lo, or Cyd Ho - could defeat Ip in a one-on-one race.

What Will the Other Side Do?

¶7. (SBU) Chan's entry into the race also clouds the picture for the pro-HKG and pro-Beijing camp. Although still not a declared candidate, Regina Ip almost certainly was planning to run. She had met with leaders of both the Liberal Party (LP) and the DAB, the former of which said it would support her as long as the DAB did not field its own candidate. The DAB, however, had not yet reached a consensus on whether to back Ip or to put forward a DAB member. On September 10, LP Chairman James Tien said his party would support DAB Vice Chair Ip Kwok-him were he selected by the DAB, but would support Ip if the DAB ran a more junior member against Chan.

¶8. (SBU) In a September 11 "South China Morning Post" (SCMP) column, DAB founder and Legco member Jasper Tsang Yok-sing opined that the pan-democrats were relying on Chan's personal charisma, rather than voter support for their political platform, to win the by-election. He said Chan's candidacy left the pro-government and pro-Beijing camp with two choices: play down the significance of the by-election as a

"popularity test of various political reform proposals" and try to divert attention to other, less political issues; or, put forward a candidate of less stature whose defeat would incur a lower political cost. Tsang clearly preferred the first option, with a strong candidate engaging in an "honest and vigorous debate on Hong Kong's constitutional development." He believed that choosing the second option simply would perpetuate the pan-democratic "myth" that the by-election will be a referendum on democracy.

Press

¶9. (C) The Hong Kong press have covered Chan's deliberation process in great detail. The most recent issue of "East Week" magazine, which tends to be pro-HKG, was released on September 11 with photographs of Lee, Ho, Kam, and Lai conferring in a coffee shop on the morning of September 10. The article claimed that Ho and Kam then met with Chan to finalize her announcement strategy. Also on September 11, the "SCMP" speculated that publisher Jimmy Lai and PCCW Chairman Richard Li, son of tycoon Li Ka-shing, would provide financial support for Chan's campaign.

Chan Advisor Christine Loh

¶10. (C) Civic Exchange (a local NGO) Chief Executive Christine Loh, a member of Chan's "Core Group" of advisors and also a former Legco member, told us September 11 that "there was no reason why Chan shouldn't win" the by-election. She likened the race thus far to a chess match, which both sides have played poorly; the next move would be taken by the pro-government side. Once their candidate was chosen, Loh felt they would attempt to "embarrass" Chan, perhaps by casting doubt on her pro-democracy credentials. Loh believed it possible that Richard Li might offer financial backing for Chan's campaign, but if he did so it would become public information, as all candidates are required to report their sources of support.

Polls Suggest Pan-democratic Momentum

¶11. (SBU) The latest public opinion survey by the Hong Kong University Public Opinion Program indicates growing support for universal suffrage in 2012 and, by implication, for the pan-democratic parties. Conducted September 4-7, the poll

HONG KONG 00002359 003 OF 003

found that 59 percent of respondents favored universal suffrage for the 2012 CE election, a four point rise from late August. Similarly, 51 percent wanted universal suffrage for the 2012 Legco election, up one point since the previous survey. Also, 12 percent of respondents favored universal suffrage for both elections "as soon as possible" (i.e., before 2012), the highest level of support yet for that option.

Cunningham